

VZCZCXRO3077
PP RUEHBC RUEHDE RUEHDIR RUEHKUK
DE RUEHMK #0827/01 2411141
ZNY CCCCC ZZH
P 291141Z AUG 07
FM AMEMBASSY MANAMA
TO RUEHC/SECSTATE WASHDC PRIORITY 7193
INFO RUCNIRA/IRAN COLLECTIVE PRIORITY
RHMFISS/HQ USCENCOM MACDILL AFB FL PRIORITY
RUEADOE/USDOE WASHDC PRIORITY
RHBVAKS/COMUSNAVCENT PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MANAMA 000827

SIPDIS

SIPDIS

COMMERCE FOR 4520/ITA/MAC/ONE/HOFFMAN

E.O. 12958: DECL: 08/29/2017

TAGS: [ENRG](#) [EPET](#) [REGION](#) [ECTRD](#) [IR](#) [BA](#)

SUBJECT: FM TO VISIT TEHRAN; NATURAL GAS TALKS IN BAHRAIN
SEPT 2

REF: A. MANAMA 666

- [B](#). MANAMA 600
- [C](#). MANAMA 520
- [D](#). STATE 74354
- [E](#). MANAMA 419
- [F](#). MANAMA 173

Classified By: Charge d'Affaires Christopher Henzel for reasons 1.4(b) and (d).

[1](#). (C) Foreign Minister Sheikh Khalid bin Ahmed Al-Khalifa confirmed to Charge local media reports August 28 that a Bahraini-Iranian bilateral committee on natural gas will hold its first meeting September 2 in Manama. Sheikh Khalid said the talks would be "exploratory." Repeating familiar GOB explanations about its natural gas discussions with Iran (refs A, B, C, E, and F), Sheikh Khalid said Bahrain will face an acute shortage of natural gas in a few years. The GOB would prefer to purchase Qatari gas or develop the resources of the Abu Safa field jointly with Saudi Arabia to counter the looming energy crunch, he said, but the Saudis have shown little interest and future Qatari production is largely committed to other buyers. The Charge reiterated U.S. concerns about any gas deal with Iran. Such arrangements would send the wrong message to the leadership in Tehran at a time when there was a strengthening consensus in the international community that Iran's behavior on the nuclear issue, on Iraq, and on support for extremists throughout the region was unacceptable. Acknowledging U.S. concerns, Sheikh Khalid said that Bahrain values its relationship with the United States more than its relationship with Iran. He characterized the bilateral committee talks as part of the GOB's strategy for natural gas talks with Qatar and Saudi Arabia. Iran was the least attractive option of the three, but Bahrain will have to find some solution.

[2](#). (U) Media reported August 28 that a delegation of senior technical experts, headed by Iranian National Oil Company president Nassrat Allah Sayfi would travel to Manama to commence negotiations beginning September 2, and would meet with GOB Minister of Oil and Gas Affairs Dr. Abdul Hussein Ali Mirza and various Bahrain Petroleum Company officials. Local daily Al Wasat noted Bahrain's need for gas to meet growing industrial and power generation demands and said negotiations with Iran would cover all the steps needed to import Iranian gas.

FM to Visit Tehran

13. (C) Sheikh Khalid also asked Charge to provide "a heads-up" to Washington that he would pay an "overnight" visit to Tehran "at the beginning of September". He described the occasion for the visit, a Non-Aligned Movement function, as "a waste of time," but said he felt obliged to accept Iranian FM Mottaki's invitation, which the Iranian extended during his visit to Manama on July 13. Charge reiterated concern about high-profile engagement with Iran and the likelihood that the GOI would exploit the visit for public relations purposes. Sheikh Khalid undertook to stress to Mottaki the concern over Iran's policies that Bahrain shares with the international community.

COMMENT

14. (C) GOB officials have regularly emphasized Bahrain's looming gas shortage. The GOB plans to increase gas production from 1.2 to 1.7 million cubic feet per day by 2010 to keep pace with growing demand, but believes it will also need imports soon. Problems with both power generation capacity and distribution have already triggered blackouts in parts of the island every day this summer (in fact, the lights went out downtown during our meeting with Sheikh Khalid). In energy-related discussions with emboffs, GOB officials have consistently noted Iran's offer to sell natural gas. However, pursuit of that option has, at turns, been presented as a distant, long-term option (Refs E and F); a ploy to induce Qatar to allocate gas to Bahrain (Refs C and D); and most recently, Bahrain's last option (Refs A and B). In fact, one or all of these characterizations may apply.
End Comment.

MANAMA 00000827 002 OF 002

Visit Embassy Manama's Classified Website:
<http://www.state.sgov.gov/p/nea/manama/>

HENZEL